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ADVISORS

ARE YOU WORKING WITH A FIDUCIARY?

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Recent government talks to enforce a uniform fiduciary standard across the financial services industry have sparked a large discussion over the term fiduciary. In an effort to clarify the debate and what it means to you as an investor, we asked Ancora Vice President and Compliance Officer Jason Geers to weigh in on the discussion.

Q. Jason, can you please first define what the term fiduciary means?

A. In the investment world a fiduciary is person or organization who maintains a high standard of client care which implies they maintain stringent levels of financial oversight and disclosure. Most often the term is used in conjunction with the word “Duty”. This fiduciary duty is a legal definition used to categorize those parties who are obligated to put the interests of their clients first and adhere to the duties of loyalty and care.

Q. What has been the fiduciary standard in the financial services industry up to this point?

A. Ancora abides by these industry standards for Fiduciaries.

- Put the client’s best interests first;
- Act with prudence, that is, with the skill, care, diligence and good judgment of a professional;
- Do not mislead clients by providing full and fair disclosure of all important facts;
- Avoid conflicts of interest;
- Fully disclose and fairly manage, in the client’s favor, unavoidable conflicts.

Q. How would the proposed regulations change that operating framework?

A. Ancora’s standards would not change since we are operating under the strictest guidelines. If the proposed changes occur those operating under lower standard of legal care, known as the suitability doctrine, will then legally be required to change the way they treat their clients.

Ancora welcomes the rest of the financial industry to enhance their level of care towards investors by implementing the highest standards. Unfortunately, large institutions and lobbyists, who see the heightened standard as an impediment, have fought regulators for approximately 5 years since the U.S. Department of Labor first proposed such a rule in October 2010.

Q. How does Ancora fit into the fiduciary discussion?

A. Fortunately for our clients we have always felt a need to put them first. The rules which we follow coincide with our strong beliefs that by doing right by our clients and setting the highest standards of care we will build long-term, successful relationships.

Q. Bottom line, what do investors need to know about the fiduciary role with regard to their investments?

A. Investors need to know that Ancora achieves the highest standards of care in the industry by meeting the fiduciary duty standards. In the investment world everything is not the same and those who you may ask to handle your hard earned money may not always live up to the highest standards. As an investor it is important to ask questions, one should always be aware are you acting in my best interest; are you my fiduciary? If you're an Ancora client we gladly can answer, "Yes"!

Jason Geers, is a Vice President, Compliance Officer at Ancora Advisors LLC a SEC Registered Investment Advisor

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